

**U.S. Department of the Interior
Bureau of Land Management
Billings Field Office
5001 Southgate Drive
Billings, MT 59101**

**Decision Record and Leasing Recommendation
Environmental Assessment DOI-BLM-MT-0010-2011-0031-EA**

Decision:

It is my decision to implement Alternative B (the Proposed Action Alternative) as identified in the Billings Field Office (BiFO) Oil and Gas Leasing Environmental Assessment (EA), DOI-BLM-MT-0010-2011-0031-EA in which 7 of the 44 lease parcels containing approximately 785 acres of federal minerals would be offered for lease at the October 18, 2011 competitive sale. Competitive leases will be issued for parcels sold at the sale, and noncompetitive leases may be issued for applications filed during the 2-year period following the sale. The remaining 37 parcels considered, but eliminated from further analysis in the EA containing approximately 16,707 federal mineral acres in whole or part would be deferred since they are located within or immediately adjacent to the State of Montana sage grouse core areas and are pending completion of the Resource Management Plan (RMP).

Authorities:

The authority for this decision is contained in 43 CFR 3100.

Compliance and Monitoring:

Should the parcels be developed, monitoring may be required and would be addressed and analyzed under future NEPA documentation.

Terms, Conditions, and Stipulations:

For all parcels, standard terms and conditions, as well as the lease notices and stipulations identified by parcel in Appendix A of the EA, would apply and be attached to the lease parcel(s).

Plan Conformance and Consistency:

The alternatives have been reviewed and found to be in conformance with the land use decisions described in the: Billings Resource Management Plan (RMP) (September 1984) and its associated environmental impact statement. The Billings RMP is the governing land use plan for the Billings Field Office. The Oil and Gas portion of the 1984 Billings RMP was amended by the 1992 Oil and Gas Amendment of the Billings, Powder River, and South Dakota Resource Management Plans and Final Environmental Impact Statement and the 1994 Record of Decision. The 2008 Final Supplement to the Montana Statewide Oil and Gas Environmental Impact Statement and Proposed Amendment of the Powder River and Billings Resource Management Plans (FSEIS) amended the 1984 Billings RMP/EIS with a development alternative for coal bed natural gas production.

Alternatives Considered:

Alternative A – No Action. The No Action alternative would exclude all 44 lease parcels within the BiFO from lease sale. Surface management would remain the same and ongoing oil and gas development would continue on surrounding federal, private, and state leases.

Alternative B – Proposed Action. The Proposed Action alternative would offer 7 lease parcels, covering 785 acres for competitive and/or noncompetitive lease issuance. The lease parcels to be offered are located within the BiFO and are dispersed across the following counties: Golden Valley, Musselshell, Stillwater and Sweet Grass. Standard terms and conditions, as well as stipulations identified in Appendix A of the EA would apply.

An alternative considered, but eliminated from further analysis included leasing 37 parcels (16,707 federal mineral acres) that are located within or immediately adjacent to the State of Montana sage grouse core areas. The 37 parcels are deferred from the upcoming lease sale and are pending completion of the RMP.

Public Comments:

This EA was made available for a 30-day public comment period which ended on June 14, 2011. No comments were received regarding the EA during the 30 day comment period. Although no comments were received, some modifications were made to the EA, and are denoted with gray-scale shading and/or strikeout in the updated EA. Refer to Chapter 5 of the updated EA for a summary of public participation and changes made to the EA.

Rationale for the Decision:

The decision to approve Alternative B, the proposed action alternative, is based on the following: 1) consistency with resource management and land use plans; 2) national policy; 3) agency statutory requirements; 4) relevant resource issues; and 5) application of measures to avoid or minimize environmental impacts.

1. The decision is in conformance with the Billings Resource Management Plan (RMP) (September 1984) and its associated environmental impact statement. The Billings RMP is the governing land use plan for the Billings Field Office. The Oil and Gas portion of the 1984 Billings RMP was amended by the 1992 Oil and Gas Amendment of the Billings, Powder River, and South Dakota Resource Management Plans and Final Environmental Impact Statement and the 1994 Record of Decision. The 2008 Final Supplement to the Montana Statewide Oil and Gas Environmental Impact Statement and Proposed Amendment of the Powder River and Billings Resource Management Plans (FSEIS) amended the 1984 Billings RMP/EIS with a development alternative for coal bed natural gas production.
2. It is the policy of the Bureau of Land Management (BLM) as derived from various laws, including the Mineral Leasing Act of 1920, as amended [30 U.S.C. 181 *et seq.*] and the Federal Land Policy and Management Act of 1976, to make mineral resources available

for disposal and to encourage development of mineral resources to meet national, regional, and local needs.

3. The decision is consistent with all federal, state, and county authorizing actions required for implementation of the Preferred Alternative.
4. Standard terms and conditions as well as special stipulations would apply. Lease stipulations (as required by Title 43 Code of Federal Regulations 3101.1-3) were added to each parcel as identified by the BiFO to address site specific resource concerns or new information not identified in the planning process.

Recommended by:

A handwritten signature in black ink, appearing to read "Jim Sparks".

Jim Sparks, Field Manager

Date August 31, 2011

Approved by:

A handwritten signature in black ink, appearing to read "Theresa M. Hanley".

Theresa M. Hanley, Deputy State Director, Division of Resources

Date September 16, 2011